

## Message Text

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ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 AF-10 ARA-10 EA-10 EUR-12 NEA-10  
OIC-02 JUSE-00 /168 W

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P 011713Z MAY 78

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TO SECSTATE WASHDC PRIORITY 9066

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STR FOR ACTION

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E.O. 11652: N/A

TAGS: MTN, ETRD

SUBJECT: GOVERNMENT PROCUREMENT - PLURILATERAL MEETINGS

- WEEK OF APRIL 25

1. SUMMARY: PLURILATERAL WORKING GROUP OF MAJOR DEVELOPED COUNTRIES (US, EC, NORDICS, CANADA, JAPAN, SWITZERLAND) SUBSTANTIALLY CLEANED UP TENDERING PROCEDURES SECTION OF DRAFT GOVERNMENT PROCUREMENT (GP) CODE (MTN/NTM/W/133). GROUP AGREED TO MEET AGAIN WEEK OF MAY 16 FOR FURTHER DISCUSSION OF VARIOUS SECTIONS OF DRAFT AND FOR PRELIMINARY WORK ON COVERAGE. END SUMMARY.

2. EXCEPT FOR EXTENSIVE BRACKETING BY JAPANESE DEL (TERADA, ABE), WORK ON TENDERING PROCEDURES SECTION  
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OF DRAFT GP CODE PROGRESSED EXTREMELY WELL. JAPANESE DEL WAS WORKING FROM INSTRUCTIONS WHICH RELATED TO GOJ DRAFT (MTN/NTM/W/152) WHICH IS INCOMPATIBLE WITH OBJECTIVES OF OTHER PARTICIPANTS. THIS RESULTED IN JAPANESE ISOLATION AGAINST CONSENSUS OF OTHER FIVE COUNTRIES ON NEARLY EVERY PARAGRAPH OF TENDERING PROCEDURES SECTION. AT END OF WEEK, U.S. DEL (NEWKIRK)

HAD TENDERING PROCEDURES SECTION REPRODUCED AND DISTRIBUTED TO PLURILATERAL GROUP WITHOUT JAPANESE BRACKETS. GATT SECRETARIAT EARLIER HAD REPRODUCED TENDERING PROCEDURES SECTION WITH JAPANESE BRACKETS. (BOTH TEXTS HAND-CARRIED TO WASHINGTON BY HAUGH/OMB.) EXCLUDING JAPANESE, BRACKETS REMAIN ONLY ON LANGUAGE PART OF PARAGRAPH 4, PARA 5 AND PARA 13(D) AND (H). (PARAS REFER TO NEW PARA NUMBERS SINCE EC AGREED TO DROP PARA 1, PART IV OF W/133.)

3. WITH REGARD TO PARA 5, CANADIAN DEL (DENIS) PRIVATELY HINTED THAT GOC WAS WILLING TO CHANGE ITS POSITION AND ACCEPT EX ANTE PUBLICITY. GOC, HOWEVER, IS LINKING SUCH CHANGE TO SATISFACTORY SETTLEMENT IN EX POST INFORMATION, PARTICULARLY EX POST PUBLICITY FOR SINGLE TENDERING. EC DEL (DERISBOURG) INFORMALLY CIRCULATED A PAPER INDICATING EC'S SUGGESTIONS FOR CHANGING PARAS 5 AND 6 OF TENDERING PROCEDURES SECTION. (HAND-CARRIED BY HAUGH.) COMMENT: MTN DEL BELIEVES SUBSTANCE OF U.S. POSITION IS CONTAINED IN EC DRAFT, ALTHOUGH PRESENTATION MAY NEED TO BE MODIFIED. AN ELEMENT NOT COVERED BY EC DRAFT OR W/133 WHICH MAY NEED CONSIDERATION CONCERNS OBLIGATIONS FOR NON-DISCRIMINATORY ROTATION IN SELECTIVE PROCEDURES WHERE ROTATION IS USED. END COMMENT.

4. PARA 13(D) REMAINED BRACKETED PENDING AGREEMENT ON LIMITED OFFICIAL USE

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INFORMATION SECTION (PART V). PARA 13(H), OFFSETS, WAS NOT DISCUSSED. COMMENT: MTN DEL WOULD APPRECIATE WASHINGTON GUIDANCE ON HOW TO TREAT OFFSET QUESTION. END COMMENT.

5. GROUP BRIEFLY CONSIDERED SINGLE TENDERING PARAGRAPH AND TENTATIVELY AGREED TO DROP BRACKETS AROUND "WORKS OF ART" IN PARA 14(D). EC (DEL) INSISTS SUCH FINE ART IS NOT A SERVICE. OTHERWISE, NO DELS WERE PREPARED TO MOVE ANY FURTHER ON SINGLE TENDERING.

6. IN US/EC BILATERAL, EC DEL GAVE US "PRELIMINARY" OFFER LISTS FOR ENTITY COVERAGE ON UNDERSTANDING THAT NEGOTIATION OF COVERAGE WOULD NOT BEGIN UNTIL MAJOR OUTSTANDING ISSUES IN CODE WERE RESOLVED. EC DEL ALSO EXPRESSED DESIRE TO BEGIN WORK ON FINAL PROVISIONS AND ON NATIONAL SECURITY EXCEPTION. (A) FINAL PROVISIONS: EC DEL INFORMALLY CIRCULATED A SUGGESTED FINAL PROVISIONS SECTION. OF PARTICULAR INTEREST ARE PARAS 6 AND 7 WHICH RESPECTIVELY REQUIRE EACH SIGNATORY TO AFFIRM THAT ITS NATIONAL LEGISLATION HAS BEEN CHANGED TO CONFORM TO THE CODE AND THAT THE AGREEMENT WILL BE IN EFFECT FOR 10

YEARS. (B) NATIONAL SECURITY: EC DEL SUGGESTED THAT NATIONAL SECURITY EXCEPTION COULD PROCEED BY LISTING IN CODE THOSE PRODUCTS WHICH COULD BE EXCLUDED FOR NATIONAL SECURITY REASONS, OR ALTERNATIVELY LISTING THOSE PRODUCTS WHICH COULD NOT BE EXCLUDED FOR NATIONAL SECURITY REASONS. IN THIS LINE, EC DEL WENT THROUGH LIST OF PRODUCTS IN OECD DOCUMENT (ADDENDUM TO: TFD/TD/805 - 10/8/74) AND TENTATIVELY INDICATED THOSE PRODUCTS WHICH, IN HIS OPINION, COULD BE EXCLUDED OR INCLUDED IN THE CODE'S COVERAGE. STEEL, TEXTILE, AND FOOTWEAR PRODUCTS, FOR MILITARY USE, WERE EXCLUDED AS SENSITIVE ITEMS. (SPECIFIC LIST OF PRODUCTS AND OTHER DOCUMENTS DISTRIBUTED BY EC HAND-CARRIED BY HAUGH). U.S. DEL EXPRESSED INTEREST IN EC SUGGESTION FOR NATIONAL SECURITY, BUT INDICATED WE WOULD LIMITED OFFICIAL USE

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HAVE TO REFLECT ON IT. COMMENT: IF SUCH AN APPROACH IS CONSIDERED FEASIBLE, MTN DEL STRONGLY RECOMMENDS USE OF NEGATIVE LIST. END COMMENT.

7. SPECIAL AND DIFFERENTIAL TREATMENT (S&D): AS A "PERSONAL" INITIATIVE SWEDISH DEL (LEMMEL) GAVE TO CERTAIN COUNTRIES FOR COMMENT A REDRAFT OF NORDIC S&D APPROACH IN W/133. LEMMEL DESCRIBED THE DRAFT AS A COMBINATION OF NORDIC AND INDIAN DRAFTS IN W/133. (HAND-CARRIED BY HAUGH.)

8. WEEK ENDED WITH MEETING AT GATT SECRETARIAT WITH SEVERAL DEVELOPING COUNTRIES. MEETING WAS INFORMATIONAL IN CHARACTER. MEXICAN DEL (DELGADO), WHO AT LAST SUBGROUP INDICATED WILLINGNESS TO ORGANIZE DRAFTING LIMITED OFFICIAL USE

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OF S&D PROPOSAL, STATED THAT NOTHING HAD YET BEEN DONE.

9. FUTURE WORK: PLURILATERAL GROUP WILL MEET AGAIN WEEK OF MAY 16. BY THIS TIME, EC WILL HAVE PRESENTED RECENT PROGRESS TO 113 COMMITTEE. ACCORDINGLY, WORK DURING WEEK OF MAY 16 WILL CONSIST OF FURTHER CONSIDERATION OF OUTSTANDING ISSUES IN TENDERING PROCEDURES (PARA 5, 13(D)), SINGLE TENDERING, AND INFORMATION. ADDITIONALLY FINAL PROVISIONS AND THE NATIONAL SECURITY EXCEPTION WILL BE DISCUSSED. PENDING SUFFICIENT PROGRESS IN THE ABOVE AREAS, A FIRST DISCUSSION OF ENTITY COVERAGE IS ANTICIPATED.

10. DRAFTED BY SHELLEY. CULBERT

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## Message Attributes

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Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
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